



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

REFER TO FILE: **C-1**

February 17, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TERMINATE CONTRACT
PROJECT ID NO. FCC0000781
LOS ANGELES RIVER "ERNIE'S WALK"
SUPERVISORIAL DISTRICT 3
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Terminate Project ID No. FCC0000781, Los Angeles River "Ernie's Walk," in the City of Sherman Oaks (3), with New Image Landscaping Construction (New Image), 22269 Loch Lomond Drive, Canyon Lake, California 92587, in the amount of \$545,392.00, for the construction of concrete walls, landscaping, and other appurtenant work, and request that Developer's Surety and Indemnity Company complete the work of the contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 10, 2003, your Board awarded this contract to New Image for the construction of concrete walls, stairway, and colored stamped concrete pavement; installation of a drip irrigation system; removal and planting of trees; and other appurtenant work. Payment and performance bonds were furnished by Developer's Surety and Indemnity Company for 100 percent of the contract amount.

On August 5, 2003, New Image started construction on the project. On November 24, 2004, a list of outstanding work items was given to New Image. Since then, we have made numerous attempts to contact New Image but they have not responded. On December 28, 2004, New Image was directed in a certified letter to complete all outstanding items or we would instruct their bonding company to assume control of the project. New Image did not respond to this demand. Because of their failure to complete the work, we recommend that your Board terminate New Image's contract and request that Developer's Surety and Indemnity Company complete the project in accordance with the plans and specifications.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility since it will provide for completion of the work at no additional cost to Public Works except for minimal administrative expenses.

FISCAL IMPACT/FINANCING

There will be no fiscal impact if the surety assumes responsibility for completing the work of the contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract specifications provide for the termination of the contract by your Board if such action is in the best interest of the County.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended action will provide for the completion of the work of the contract.

The Honorable Board of Supervisors
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CONCLUSION

Please return one approved copy of this letter to Public Works.

Respectfully submitted,

DONALD L. WOLFE
Acting Director of Public Works

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cc: Chief Administrative Office
County Counsel
Office of Affirmative Action Compliance